S6615-2

MARCH 1991

# OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

## INDICATORS

**UNEMPLOYMENT RATE**

*Oregon (Seas. Adj.)*

| | | |
|---|---|---|
| Jan. | 1991 | 5.9 |
| Dec. | 1990 | 6.3 |
| Jan. | 1990 | 5.1 |

*United States (Seas. Adj.)*

| | | |
|---|---|---|
| Jan. | 1991 | 6.2 |
| Dec. | 1990 | 6.1 |
| Jan. | 1990 | 5.3 |

**WAGE AND SALARY EMPLOYMENT INDEX**

*Oregon (1977=100)*

| | | |
|---|---|---|
| Jan. | 1991 | 134.7 |
| Dec. | 1990 | 133.9 |
| Nov. | 1990 | 134.0 |
| Oct. | 1990 | 133.9 |
| Sept. | 1990 | 133.6 |

**PRODUCTION WORKER AVERAGE HOURLY EARNINGS**

*Oregon*

| | | |
|---|---|---|
| Dec. | 1990 | $11.33 |
| Nov. | 1990 | $11.25 |
| Dec. | 1989 | $11.02 |

**PRODUCTION WORKER AVERAGE WEEKLY HOURS**

*Oregon*

| | | |
|---|---|---|
| Dec. | 1990 | 40.0 |
| Nov. | 1990 | 39.2 |
| Dec. | 1989 | 40.0 |

**CONSUMER PRICE INDEX (CPI)**

*1982-84=100*
*ALL URBAN CONSUMERS*

| | |
|---|---|
| *Portland-Vancouver* | |
| July-Dec. 1990 | 129.8 |
| Yearly change | 6.7% |
| Annual Average 1990 | 127.4 |
| Yearly change | 5.8% |
| *United States* | |
| Jan. 1991 | 134.6 |
| Yearly change | 5.7% |
| Annual Average 1990 | 130.7 |
| Yearly change | 5.4% |

*Portland Hotline 326-4132*

## HART AND SOLE

*Duane Ackerson*

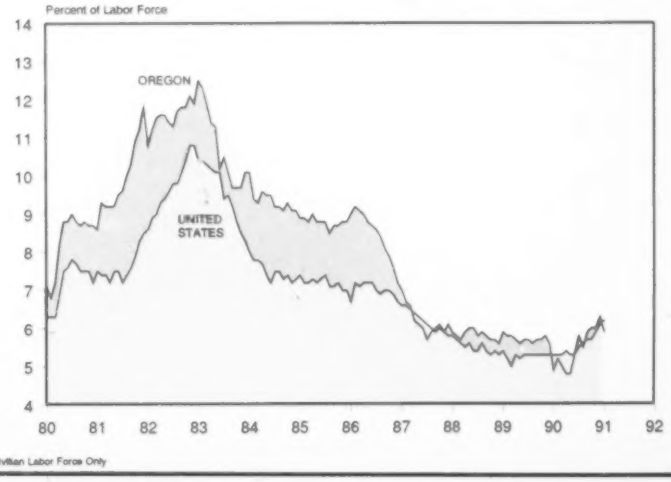
*The stag(flation)at eve had drunk its full.*
*Sir Walter(Galbraith)Scott*

In my dream I saw the mythic beast *Stagflation*, half deer and half balloon, half recession and half inflation, half sense and half nonsense. Having drunk its full of our credulity, it was now seated at the piano. And it was playing with *both* sets of hooves, one set rendering "Heart and Soul," the other, "Chopsticks." The sound of the music kept receding the harder I listened, but the creature was also growing, its balloon-like body swelling outward, its antlers coming uncomfortably near. Just as things were looking dangerous—the creature was either going to explode or impale me on whatever points it was trying to make—I woke up, just like the twist at the end of an amateur writer's first short story, and discovered that while I was sleeping, someone had delivered the news of the month just past in a heart-shaped box:

While Oregon's economy took a positive tack, with a 0.4 decrease in the unemployment rate from 6.3% in December to 5.9% in January, most of the country had little cause to rejoice. The national rate, in contrast with Oregon's, rose slightly in January, up 0.1 to 6.2%.

The news about employment in Oregon was also good. Though, as is usually the case in January, nearly all major industries declined in employment, in most cases the declines were less than could have been anticipated based on seasonal patterns alone. As is usual for this time of year, certain activities like construction, food processing, and wood products manufacturing slowed down. Retail and wholesale trade also fell back from their previous high levels of accelerated holiday activity. Government, with schools in full session, is the only major industry where January employment is normally higher than the average for the year. Overall, wage and salary employment was up 24,700 from January 1990.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



# OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

| INDUSTRY | JAN.1/ 1991 | DEC.2/ 1990 | JAN. 1990 | CHANGE FROM DEC. 1990 | CHANGE FROM JAN. 1990 |
|---|---|---|---|---|---|
| TOTAL 5/ | 1,231,200 | 1,260,100 | 1,206,500 | - 28,900 | 24,700 |
| WAGE & SALARY EMPLOYMENT INDEX 6/ | 134.7 | 133.9 | 131.9 | XXX | XXX |
| GOODS PRODUCING INDUSTRIES 7/ | 258,100 | 264,500 | 261,700 | - 6,400 | - 3,600 |
| SERVICE PRODUCING INDUSTRIES 8/ | 973,100 | 995,600 | 944,800 | - 22,500 | 28,300 |
| TOTAL MANUFACTURING | 207,900 | 210,200 | 215,000 | - 2,300 | - 7,100 |
| DURABLE GOODS | 150,000 | 151,500 | 158,800 | - 1,500 | - 8,800 |
| LUMBER & WOOD PRODUCTS | 56,500 | 57,500 | 65,500 | - 1,000 | - 9,000 |
| LOGGING | 9,400 | 9,700 | 11,000 | - 300 | - 1,600 |
| SAWMILLS | 19,600 | 19,700 | 22,500 | - 100 | - 2,900 |
| VENEER & PLYWOOD | 11,600 | 11,900 | 15,800 | - 300 | - 4,200 |
| MILLWORK & STRUCTURAL WOOD | 9,800 | 10,100 | 10,400 | - 300 | - 600 |
| MOBILE HOMES | 2,200 | 2,200 | 1,800 | 0 | 400 |
| OTHER WOOD PRODUCTS | 3,900 | 3,900 | 4,000 | 0 | - 100 |
| FURNITURE AND FIXTURES | 2,900 | 3,000 | 3,000 | - 100 | - 100 |
| STONE, CLAY, GLASS & CONCRETE | 4,100 | 4,200 | 4,100 | - 100 | 0 |
| PRIMARY METALS | 11,300 | 11,300 | 11,000 | 0 | 300 |
| BLAST FURNACES, IRON & STEEL 9/ | 5,800 | 5,800 | 5,600 | 0 | 200 |
| NONFERROUS METALS 9/ | 5,500 | 5,500 | 5,400 | 0 | 100 |
| FABRICATED METALS | 11,200 | 11,300 | 11,800 | - 100 | - 600 |
| FABRICATED STRUCTURAL METALS | 4,800 | 4,800 | 4,900 | 0 | - 100 |
| OTHER FABRICATED METALS | 6,400 | 6,500 | 6,900 | - 100 | - 500 |
| MACHINERY | 16,800 | 16,700 | 17,800 | 100 | - 1,000 |
| OFFICE & COMPUTING MACHINES | 4,200 | 4,200 | 4,500 | 0 | - 300 |
| OTHER MACHINERY | 12,600 | 12,500 | 13,300 | 100 | - 700 |
| ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/ | 17,700 | 17,700 | 17,000 | 0 | 700 |
| TRANSPORTATION EQUIPMENT | 13,600 | 14,000 | 12,400 | - 400 | 1,200 |
| INSTRUMENTS & RELATED PRODUCTS 9/ | 12,000 | 11,900 | 12,500 | 100 | - 500 |
| MISCELLANEOUS MANUFACTURING | 3,900 | 3,900 | 3,700 | 0 | 200 |
| NONDURABLE GOODS | 57,900 | 58,700 | 56,200 | - 800 | 1,700 |
| FOOD & KINDRED PRODUCTS | 21,800 | 22,500 | 20,600 | - 700 | 1,200 |
| CANNING & PRESERVING | 10,200 | 10,600 | 9,600 | - 400 | 600 |
| OTHER FOOD PRODUCTS | 11,600 | 11,900 | 11,000 | - 300 | 600 |
| TEXTILE MILL PRODUCTS | 1,500 | 1,600 | 1,700 | - 100 | - 200 |
| APPAREL | 2,900 | 2,900 | 2,800 | 0 | 100 |
| PAPER & ALLIED PRODUCTS | 9,200 | 9,200 | 9,000 | 0 | 200 |
| PRINTING & PUBLISHING | 14,400 | 14,400 | 13,900 | 0 | 500 |
| CHEMICALS & ALLIED PRODUCTS | 2,300 | 2,300 | 2,300 | 0 | 0 |
| PETROLEUM & ASPHALT PRODUCTS | 600 | 600 | 500 | 0 | 100 |
| RUBBER & PLASTIC PRODUCTS | 4,700 | 4,700 | 4,900 | 0 | - 200 |
| LEATHER PRODUCTS | 500 | 500 | 500 | 0 | 0 |
| TOTAL NONMANUFACTURING | 1,023,300 | 1,049,900 | 991,500 | - 26,600 | 31,800 |
| MINING & QUARRYING | 1,600 | 1,600 | 1,300 | 0 | 300 |
| CONSTRUCTION | 48,600 | 52,700 | 45,400 | - 4,100 | 3,200 |
| BUILDING CONSTRUCTION | 11,600 | 12,200 | 11,900 | - 600 | - 300 |
| HEAVY CONSTRUCTION | 6,200 | 6,800 | 5,300 | - 600 | 900 |
| SPECIAL TRADE CONTRACTORS | 30,800 | 33,700 | 28,200 | - 2,900 | 2,600 |
| TRANSPORTATION, COMMUNICATIONS, & UTILITIES | 63,200 | 64,300 | 63,100 | - 1,100 | 100 |
| TRANSPORTATION | 42,300 | 43,200 | 41,700 | - 900 | 600 |
| RAILROAD | 3,700 | 3,700 | 3,800 | 0 | - 100 |
| TRUCKING & WAREHOUSING | 24,000 | 25,000 | 23,800 | - 1,000 | 200 |
| OTHER TRANSPORTATION | 14,600 | 14,500 | 14,100 | 100 | 500 |
| COMMUNICATIONS | 12,100 | 12,200 | 12,500 | - 100 | - 400 |
| UTILITIES | 8,800 | 8,900 | 8,900 | - 100 | - 100 |
| TRADE | 308,600 | 323,000 | 303,300 | - 14,400 | 5,300 |
| WHOLESALE TRADE | 80,300 | 81,100 | 76,200 | - 800 | 4,100 |
| DURABLE GOODS | 46,100 | 46,500 | 44,400 | - 400 | 1,700 |
| MACHINERY, EQUIPMENT, & SUPPLIES | 10,800 | 10,800 | 10,500 | 0 | 300 |
| OTHER DURABLE GOODS | 35,300 | 35,700 | 33,900 | - 400 | 1,400 |
| NONDURABLE GOODS | 34,200 | 34,600 | 31,800 | - 400 | 2,400 |
| GROCERIES & RELATED PRODUCTS | 13,300 | 13,500 | 12,000 | - 200 | 1,300 |
| OTHER NONDURABLE GOODS | 20,900 | 21,100 | 19,800 | - 200 | 1,100 |
| RETAIL TRADE | 228,300 | 241,900 | 227,100 | - 13,600 | 1,200 |
| BUILDING MATERIALS & GARDEN SUPPLIES | 8,600 | 8,800 | 7,700 | - 200 | 900 |
| GENERAL MERCHANDISE | 29,300 | 33,900 | 31,300 | - 4,600 | - 2,000 |
| FOOD STORES | 38,400 | 39,300 | 38,000 | - 900 | 400 |
| AUTO DEALERS & SERVICE STATIONS | 27,400 | 27,800 | 27,400 | - 400 | 0 |
| APPAREL & ACCESSORY STORES | 10,400 | 11,300 | 9,700 | - 900 | 700 |
| FURNITURE & HOME FURNISHINGS | 9,400 | 9,900 | 9,600 | - 500 | - 200 |
| EATING & DRINKING PLACES | 81,000 | 83,300 | 79,300 | - 2,300 | 1,700 |
| MISCELLANEOUS RETAIL | 23,800 | 27,600 | 24,100 | - 3,800 | - 300 |
| FINANCE, INSURANCE, & REAL ESTATE | 79,900 | 80,400 | 76,100 | - 500 | 3,800 |
| FINANCE | 28,500 | 28,400 | 28,300 | 100 | 200 |
| INSURANCE | 22,900 | 23,000 | 22,300 | - 100 | 600 |
| REAL ESTATE | 28,500 | 29,000 | 25,500 | - 500 | 3,000 |
| SERVICES | 296,500 | 300,800 | 282,800 | - 4,300 | 13,700 |
| HOTELS & OTHER LODGING PLACES | 18,100 | 18,900 | 17,000 | - 800 | 1,100 |
| PERSONAL SERVICES | 10,800 | 10,900 | 10,900 | - 100 | - 100 |
| BUSINESS SERVICES | 49,100 | 50,100 | 48,000 | - 1,000 | 1,100 |
| AUTOMOTIVE & MISC. REPAIR SERVICES | 16,900 | 17,100 | 15,800 | - 200 | 1,100 |
| MOTION PICTURES & AMUSEMENTS | 14,400 | 14,400 | 14,000 | 0 | 400 |
| HEALTH SERVICES | 86,400 | 86,700 | 83,000 | - 300 | 3,400 |
| LEGAL SERVICES | 8,800 | 8,900 | 8,700 | - 100 | 100 |
| PRIVATE EDUCATION | 16,200 | 17,200 | 14,800 | - 1,000 | 1,400 |
| SOCIAL SERVICES | 27,800 | 28,000 | 26,100 | - 200 | 1,700 |
| ENGINEERING & MANAGEMENT SERVICES | 21,300 | 21,400 | 19,200 | - 100 | 2,100 |
| OTHER SERVICES & NEC | 26,700 | 27,200 | 25,300 | - 500 | 1,400 |
| GOVERNMENT | 224,900 | 227,100 | 219,500 | - 2,200 | 5,400 |
| FEDERAL GOVERNMENT | 31,600 | 32,400 | 31,700 | - 800 | - 100 |
| STATE GOVERNMENT | 61,200 | 61,700 | 59,500 | - 500 | 1,700 |
| EDUCATION | 25,500 | 26,200 | 24,900 | - 700 | 600 |
| OTHER STATE | 35,700 | 35,500 | 34,600 | 200 | 1,100 |
| LOCAL GOVERNMENT | 132,100 | 133,000 | 128,300 | - 900 | 3,800 |
| EDUCATION | 84,200 | 85,000 | 81,700 | - 800 | 2,500 |
| OTHER LOCAL | 47,900 | 48,000 | 46,600 | - 100 | 1,300 |
| LABOR-MANAGEMENT DISPUTES 10/ | 0 | 0 | 500 | 0 | - 500 |

## OREGON RESIDENT LABOR FORCE
## (BY PLACE OF RESIDENCE)

| | JAN.1/ 1991 | DEC.2/ 1990 | JAN. 1990 | CHANGE FROM DEC. 1990 | CHANGE FROM JAN. 1990 |
|---|---|---|---|---|---|
| CIVILIAN LABOR FORCE 3/ | 1,462,800 | 1,495,200 | 1,458,600 | - 32,400 | 4,200 |
| UNEMPLOYMENT | 100,100 | 89,500 | 87,200 | 10,600 | 12,900 |
| PERCENT OF LABOR FORCE | 6.8 | 6.0 | 6.0 | XXX | XXX |
| SEASONALLY ADJUSTED PERCENT | 5.9 | 6.3 | 5.1 | XXX | XXX |
| TOTAL EMPLOYMENT 4/ | 1,362,700 | 1,405,700 | 1,371,400 | - 43,000 | - 8,700 |

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

However, looking back over the past two years, there are some signs of economic slowdown in Oregon as well as the nation as a whole. When annual average employment for the latest year was calculated, growth in total wage and salary employment in 1990 was 3.2%, compared with a revised growth rate of 4.6% for 1989. In 1989, employment grew by 53,400; in 1990, it increased by 38,700. One industry that performed particularly well in 1990 was construction, which grew by 13.9% from 1989 to 1990. The average annual employment in this industry for the year just past was 52,500, only a shade below the peak level of 53,000 in 1979. In the manufacturing sector, employment has barely budged year-to-year, increasing a scant 0.1% (+300) between 1989 and 1990, while nonmanufacturing, at 3.9% (+38,400), did considerably better. Lumber and wood products, down by 3,700, was the most important industry group to show a decline; it was down -5.5% from 1989.

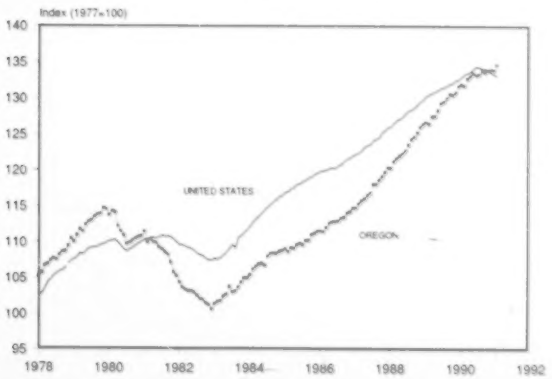
***. . . the state has a severe lack of affordable housing, especially for its poorer citizens.***

The performance of construction in Oregon is all the more impressive in the face of national trends in that industry. In her report to Congress on the month, BLS Commissioner Janet Norwood cited the January U.S. performance in construction as its worst in recent months, with employment down, after seasonal adjustment, by 155,000. In Oregon, though demand for housing, and prices, is high, driving construction employment up, there is a down side to the state picture in this industry. An article by Cheryl Martinis in the Dec. 9, 1990 *Oregonian* points out that the state has a severe lack of affordable housing, especially for its poorer citizens. Though the federal Housing and Urban Development Department is providing more rent subsidies to Oregon families than it did a decade ago, HUD has been able to assist only half the families that meet the income test to qualify for assistance. In 1980, 26% of Oregonians eligible for help on their rent were assisted, compared with 41% in 1990. The reason even more of the eligible are not helped is, very simply, inadequate funding.

The report on the number of single and multi-family building permits issued by the Oregon Housing Agency for the past two years also underscores the same problem. Though single unit permits were up in 1990 to 12,722 from 11,816 in 1989, multi-family permits were down from 10,908 in 1989 to 9,817 in 1990. The kind of housing a poor family might be likelier to afford—an apartment as opposed to a house—may become even scarcer in the future.

Demographic pressures on the housing market also do not bode well for the less affluent. In 1990, of the 74,239 out-of-state licenses surrendered at the Oregon Department of Motor Vehicles, 30,855, or 41.6%, were from California; many of these no doubt people hoping to reinvest their profits from a home sale at California housing prices in a more reasonably priced Oregon residence. (On the flip side, only

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



14,753 Oregon licenses were surrendered during the same time period in California, possibly by people who had only read the first half of *The Grapes of Wrath*.) This sort of demand, and ready cash, will drive up both prices and minimum down payments, making housing for others that much less attainable. This will be especially true of rental housing, which tends to include the less expensive homes. As home prices go up, fewer builders and investors will be tempted to build or buy this sort of housing.

Another indication of this ongoing problem is the recently released "Components of Population Change by County" table from Portland State University's Center for Population Research and Census. This table shows that Oregon had net in-migration of 36,328 between April 1, 1980 and July 1, 1990. And of this number, 26,211 in-migrants, or 72.2%, were age 65 plus. Since this age group is the part of the population studies show to have improved its standing financially over the decade, members of this group, many of them retirees from California and other states, will put additional pressures on the cost of housing.

For those discouraged from buying a house by the preceding and planning to leave their savings in a bank, *The Oregonian* (Business Section, Feb. 5, 1991) includes an article by Stephen Labaton, "Bush Pushes for an End of FDIC's Bank Oversight Role." This article indicates that the Bush Administration will recommend that the Federal Deposit Insurance Corporation no longer act as the regulator of the nation's 12,000 banks. However, the agency would continue to insure deposits. This proposed legislation "permits mergers of investment banks and commercial banks, eliminates barriers to interstate banking, allows industrial enterprises to own banks, and imposes some limitations on bank insurance coverage." Basically, this move will consolidate more and more financial clout in fewer and fewer hands; it also spells less security, and less clout, for the small-to-medium sized depositor. Alan Abelson, writing in the *Barron's* for Feb. 11, 1991, takes an appropriately jaundiced view of the whole affair:

"Besides seeking to remove the restrictions that prevent banks from emulating Baldwin-United or First Executive and the barriers to making bad loans in 50 states instead of just one, the Administration's reform package forthrightly addresses the liability side of the problem. Here, it uncovers the real culprit—the depositor. The logic is compelling: No deposits means no loans, no loans means no bad loans. Actually, the scheme promises to kill two birds with one stone. Depositors will finally be punished for the cardinal sin of putting money in a bank. At the same time, ultimately limiting the government guarantee to a total of $100,000 per individual will obviously cause a mass migration of funds from smaller institutions to those relatively few that are too big to fail. The inevitable result will be that scads of smaller banks will shrivel up and blow away, and the industry will consist solely of large institutions in big cities with good airports. That will make them more convenient for bank examiners—and you won't need anyway nearly as many of them, either."

***... health-care workers' salaries rose 6% last year, the highest amount for any occupation and a rate nearly equalling the 6.1% inflation rate.***

In the department of Some Other Ominous Signs (or "S. Double O. S."), the U.S. Current Population Survey household data for January indicates that those unemployed who had lost their jobs were at 4.1 million, having grown by 270,000 from the preceding month. The number of job losers nationally has risen by 850,000 since June, and now stands at 53% of the total who are unemployed. This means that rather than being predominately people between jobs, such as younger workers seeking better opportunities, many of the nation's unemployed are older, long-time workers out of jobs. Two articles in the Feb. 2 issue of *The Washington Post* underscored the demographics of the current recession, one indicating that blue-collar workers have been particularly hard hit as companies cut their payrolls, the other stating that "for all the talk of yuppie recessions and white-collar layoffs, yesterday's unemployment figures made clear just who is bearing the burden of the economy's recent plunge: people who make and build things."

And, in a note that can be easily related to the foregoing, the Feb. 12 *Wall Street Journal* reported that the only U.S. industry that is currently flourishing is health care. With the rising cost of health services, it's particularly ironic that more older workers, the part of the work force probably most in need of these services, might be out of work and without benefit of health insurance at this juncture. This article adds that while the U.S. economy has lost 828,000 jobs since August, health services has added 241,000 positions. And while workers in other industries cope with layoffs, pay freezes, or token raises, health-care workers' salaries rose 6% last year, the highest amount for any occupation and a rate nearly equalling the 6.1% inflation rate.

Bringing this picture down to a state level, the Oregon Health Services Commission recently released some statistics about health care in Oregon. Among other points, they cite the following:

- 450,000 Oregonians (18% of the state's population) do not have health insurance. 44% of this number is either unemployed or not in the work force, 15% work part-time, and 41% work full-time.
- 190,000 poor Oregonians are receiving Medicaid, the federal/state program to provide health care to the poor.
- Approximately 120,000 poor men, women, and children are not covered by Medicaid; a family of 4 making $6,493/year is too "rich" to qualify.
- It would cost them an average of $204/month with a $500 deductible to obtain private health insurance.

Although the Veterans Administration will no doubt play a role in their treatment, we can also add to this list of medical needs the returning veterans of the Persian Gulf conflict who are injured in combat, since they too will add to the demands on the medical establishment and possibly help to drive medical charges higher.

On February 20 of this year, The Oregon Health Services Commission released a prioritized list of health care services as part of an Oregon Basic Health Services Program. After actuaries price this list, the 1991 Legislature plans to arrive at a basic health care benefits package (based on the money available in the General Fund, which may not be much) for all Oregonians by July 1992.

This long-term prospect is encouraging. In the short term, as is often the case in life, signals are mixed and gloom can be mitigated. (Hosannas, however, should also be kept in check.) Mitigating circumstances this past month include job prospects based on help-wanted advertising. Among the 51 nationwide newspapers sampled, the number of these new ads rose for the first time in 5 months. Perhaps the job outlook *is* improving.

But then again, is it? We might want to look not only at the quantity of jobs currently available as opposed to past months and years, but also the quality. *American Demographics* (Feb. 1991,

page 50) reports that due to rapid growth in weekend and evening work, many dual-income families have come to resemble those with single parents. Women have borne much of the brunt of recent and ongoing labor force problems: the same magazine reports on page 14 of the February issue that women working full-time year-around, who earned 59% as much as men in 1970, earned 68% as much in 1989. "Baby" still has a long way to go past the cigarette ads to reach true pay equity. The Department of Labor also reports that the number of "discouraged workers"—people wanting to work but not looking because they don't expect to find jobs—rose in the last quarter of 1990 by 110,000 to reach a total of 940,000. Perhaps most significant, however, is the fact that women accounted for the entire increase. Janet Norwood, in her monthly testimony to Congress, indicates that women's labor force participation rates, which have been growing, were actually lower in the fourth quarter of 1990 than they were a year earlier, the first such over-the-year decline in thirty years.

***. . . women's labor force participation rates, which have been growing, were actually lower in the fourth quarter of 1990 than they were a year earlier, the first such over-the-year decline in thirty years.***

As another indicator that the quality of life in Oregon may be deteriorating, Kids Count, a children's advocacy group based in Washington, D.C., released a report recently indicating that in Oregon the child poverty rate went from 12% to 15.7% in the decade of 1979-89. In the eighties, seniors were the major segment of the population to have seen a decline in their number living in poverty.

Naturally one of the biggest questions, aside from the toll in lives, is the effect the war in the Persian Gulf will have on the economy. An article by Alan Murray in the January 16, 1991 *Wall Street Journal* examines the financial stakes involved in this conflict. The author declares "The 'peace dividend' from lower defense spending that many budget experts thought would close the budget gap is now going to be spent in the gulf." He also indicates that the war could fuel some other problems: the transportation sector of the national economy could be especially hard hit "...since the war could squeeze the supply of jet fuel. At a time when three U.S. airlines—Eastern, Continental, and Pan Am—are in the bankruptcy courts, the additional blow could be fatal to others." Also, since the U.S. has such an immense supply of military hardware, the war is unlikely to provide a major boost to our economy since it will be drawing on weapons already in our inventory, rather than promoting the manufacture of additional weaponry.

And, unless the productivity of the American worker starts to improve, the economy can expect more setbacks. A Department of Labor report recently found that the productivity of U.S. nonfarm workers declined by 0.8% last year. This is both its worst decline since 1982, when the last recession was ending, and its first back-to-back reversal—the 1989 estimate showed a drop of 0.7%. All of which conjures up the old spectre of recession with inflation, the "stagflation" of yesteryear. At this point, however, this possibility still remains somewhat theoretical; the most recent national CPI data doesn't show inflation accelerating too much from the preceding year when annual averages are compared. The CPI for the U.S. in 1990 showed a 5.4% increase in the CPI-U (All Urban Consumers) from a year before; the annual average for 1989 showed a 4.8% increase. Inflation was a bit greater for Portland-Vancouver, our closest proxy for Oregon, where the annual increase went from 5.0% for 1989 to a 5.8% change for 1990. However, a closer look is a bit more disconcerting, especially where Oregon is concerned. The change in the CPI-U for Portland-Vancouver in the last half of 1990, compared with the corresponding period twelve months before, was 6.7%. The corresponding change for the last half of 1989 was 4.9%. It appears the rate of inflation in this area, especially in the last half of 1990, was quite substantial. Corresponding figures for the U.S. in 1989 (5.2%) and 1990 (5.7%) show a considerably smaller gap. In the case of both the U.S. and Oregon, increased fuel prices as a consequence of events in the Persian Gulf no doubt played a role in inflationary increases.

Though much of the economic picture for January in Oregon was enough to give its citizens heart, the prospects for the country as a whole in January, and looking toward the year to come, were a bit reminiscent of how it might feel to have your heart stepped on by a size 14 shoe, or like another Valentine delivered at gunpoint some years ago in a garage in Chicago. □

# A FOREST POLICY FOR THE 1990S — LEGISLATIVE PROPOSALS

*Jill Bowling*

*(Editor's note: Jill Bowling served as staff to the Joint Interim Committee on Forest Products Policy in 1990.)*

The forest products industry is a central component of Oregon's economy providing about a third of the state's manufacturing jobs. Implementation and development of federal land use management plans and protection plans for the northern spotted owl will greatly reduce the supply of timber — by about 39% from harvest levels of the mid-1980s. These reductions in timber supply will have a profound effect on workers, their families, and the communities they live in.

The Economic Development Department estimated in 1990 that more than 11,100 wood products workers were likely to lose their jobs in the next five years as a result of changes in the forest products industry. About half of this projected job loss is expected to occur in Linn, Lane, and Douglas counties. Within timber-dependent regions, the impact will be greatest in those towns which are geographically isolated and less economically diversified.

Job loss of comparable magnitude has already occurred in the last decade; between 1979-1988 about 11,400 jobs were lost in the forest products industry largely as a result of retooling, efficiencies within the production process, and fluctuating market conditions. However, job loss in the 1990s will have a fundamentally different character to job loss in the early 1980s. Forest products workers in the early 1980s expected timber jobs to be available after the recession. In the 1990s, most of the jobs lost will be gone forever.

The Joint Interim Committee on Forest Products Policy was charged by the 1989 Legislature with crafting a state strategy to respond to the serious challenge faced by the industry. Following a work plan adopted by the Senate President and House Speaker, the Committee under the Co-Chairmanship of Senator Bill Bradbury and Representative Bernie Agrons, fashioned a package of legislative recommendations. These recommendations, if they become law, could strengthen Oregon's growing secondary and value-added wood products industry, cushion the

economic blow on timber workers and their families, and encourage greater productivity on small woodlands. Draft bills are currently being considered by House and Senate Committees.

This article discusses the draft bills and gives background on their development.

**Promoting Secondary and Value-Added Manufacturing**

Timber supply reductions will affect some firms more than others. Firms that rely on old growth timber because of their mill technology or product mix and those that buy on the open market will be the hardest hit.

In order to remain competitive firms will need to develop new markets, such as those on the Pacific Rim, find new uses for second growth as it is increasingly used to replace old growth timber, and develop new uses such as niche products for existing timber. Manufacturers cannot afford simply to continue selling old product lines to old markets.

The Committee's legislative package consists of five bills:

SB 364 creates a Wood Products Competitiveness Commission to coordinate state and private efforts to stimulate the industry. Activities will include monitoring industry competitiveness, technical developments, and foreign and domestic products markets and stimulating flexible manufacturing networks.

SB 366 creates an industrial extension service for secondary wood products in conjunction with the Forest Research Laboratory at Oregon State University. The service will be staffed by extension agents who would focus on client-directed problem solving and identifying existing technology that can be used or readily adapted to solve problems identified by wood products firms.

SB 363 requires a portion of the budget for state capital construction projects to be used to procure wood products. It is based on concepts in existing statutes which provide for energy efficient design and "one percent for art."

SB 365 creates a system of state-funded vouchers to pay for business assistance services for forest products firms.

SB 367 adds legislative oversight of programs and activities affecting the forest products industry to the responsibilities of the Joint Legislative Committee on Trade and Economic Development.

**Aiding Displaced Workers and Timber-Dependent Communities**

A number of programs are already in place to help workers and communities. However, given the magnitude of projected forest products job loss, the current programs do not provide adequate assistance for workers, their families, and their communities.

The Forest Products Committee studied the distribution of timber-dependent communities in the state and quantified the types of training that would be required for workers. Three pieces of legislation, focusing on help for workers were produced:

SB 368 extends unemployment benefits for displaced wood products workers if they are engaged in a certified training program. The Employment Division estimates that regular and extended unemployment benefits for laid off wood products workers could cost about $70 million.

SB 370 extends job training benefits to spouses and children of dislocated workers and establishes a family support fund to provide health care benefits, child care, retraining travel costs, and job relocation assistance. The cost of providing training and other benefits beyond extended unemployment compensation is estimated at $56.4 million.

SB 369 establishes a special limited duration Timber Adjustment Task Force to ensure the provision of a comprehensive range of services to workers and families affected by dislocation in the forest products industry. The Task Force will coordinate its work with all relevant state and local community development programs.

**Increasing the Productivity of Small Woodlands**

Increasing productivity on small woodlands is an old and difficult issue which has not yet received an adequate policy response. There are about 25,000 small woodland owners owning 16% of Oregon's forest lands. While these owners are amongst the most productive in the state, many are not managing to potential. Small woodland owners are a diverse group and the legislative package addresses their varying needs while recognizing that these needs change during the lifecycle of production.

HB 2318 authorizes small woodland owners to expense approved reforestation and management costs which would otherwise require capitalization. Expensing is against state income tax for the year in which the expenses are incurred.

HB 2317 provides liquidity by creating a market for immature timber. Owners may sell all or part of their immature timber to the state, the price paid being equal to a percentage of the present value of the predicted volume of timber at harvest. The owner gets paid a fee to manage the timber once it is sold to the state (having agreed on management and a harvest date) and can buy back the timber before harvest.

HB 2321 changes the rate of the western and eastern severance tax with the tax being reduced on a sliding scale as the age of the trees increases.

HB 2320 requires the State Forester to identify underproductive forest land. If forest land is not being managed as forest land the owner must develop and adhere to a management plan in order to retain forest use tax assessment. The bill is complemented by Department of Forestry technical assistance.

HB 2319 changes the index used for evaluating western Oregon forest land from a three-year average and 100% of change to a 50% change over five years, making it similar to the index already used for eastern Oregon.

HB 2322 provides for state capital gains reductions from income derived from timber held by a small woodland owner. The aim of this legislation is to restore the 60% exclusion for capital gains which was removed by the 1986 Tax Reform Act.

SB 2 provides for a small woodland owner to be a member of the Oregon State University Forest Research Laboratory Advisory Committee which sets research priorities and direction for the Lab.

**Conclusion**

While the Committee's work has substantial relevance to the current crisis it should be plainly understood that it holds no short-term solutions. If the Committee's recommendations are enacted, we can expect a modest increase in value-added wood products manufacturing in the next 5-10 years and a substantial increase in timber production from non-industrial private lands in the next century. While many dislocated workers will be helped, the results will arrive too late to have a substantial effect on communities impacted by the current crisis.

Importantly, the Committee's work has revealed a much more serious and complex situation with respect to dependent communities and dislocated workers than was originally anticipated. This points to the necessity of planning well in advance for those people and communities who will be impacted by conflict over resource use and environmental preservation. □

# OPPS TRACKS STUDENT SUCCESS

*Susan Violette*

"Where are Oregon's students and training participants finding jobs? Where will the jobs be in the future? How do students and state agency clients fare in the Oregon labor market?"

In Oregon, the answers to these questions are provided through the information, publications, and services of the Occupational Program Planning System (OPPS). As a "one-stop" source of occupational demand/supply information, OPPS is designed to assist high schools, community colleges, job training program operators, state human resource agencies, and economic development organizations to plan in relation to projected labor market needs.

As a centralized data base OPPS can reduce unnecessary duplication of effort among agencies, stimulate interagency cooperation, and provide valid and reliable data to support decisions. The system provides feedback to educators, trainers, policy makers, and the business community regarding areas of strengths and opportunities to improve existing training programs.

Specifically, OPPS is able to provide:

- Occupational demand and supply analyses.
- Client and student tracking and follow-up.
- Occupational employment patterns by industry.
- Projections of employment by occupation.
- Estimates of the number of unemployed by occupation.
- Estimates of the supply of workers by occupation from education, employment, and job training programs.
- Occupational characteristics information.

Through the funding assistance received from the 1989 Oregon Workforce 2000 Act, OPPS is now able to coordinate statewide automated follow-up which confidentially tracks former students/clients' employment patterns and earnings over time. The information provided by the system includes wages earned, number of weeks worked, and the industry and county of employment during a three year period. The system is designed to prevent the identification of individuals to protect their privacy.

Any person who works for wages in Oregon can potentially be tracked through the Unemployment Insurance wage records. The capability exists to track former students or clients from any program — community colleges, Job Training Partnership Act, Adult and Family Services, displaced homemakers, injured workers, unemployment insurance applicants, apprenticeship programs, etc.

Studies on the feasibility of using unemployment insurance wage data as a method for tracking students and clients have been completed by The Center for Governmental Studies at Northern Illinois University and the Oregon Economic Development Department. Both studies used the State of Oregon's Job Training Partnership Act (JTPA) program's automated follow-up data to determine whether using unemployment insurance records is cost-effective.

The conclusions of these two studies were very favorable for the automated follow-up system. The Center for Governmental Studies at Northern Illinois University stated in their report, "The Unemployment Insurance (UI) system is an excellent resource for studies concerned with assessing the net impact of JTPA and other employment and training programs....UI wage-record data are an extremely cost-effective alternative to other sources of post-program information."

Although the follow-up system is still in a developmental phase, the first automated follow-up results for Oregon should be available for review sometime during 1991. By 1993 the system should be in place with baseline data established. The 1995 legislature will have available for its examination the initial results of the effects of Workforce 2000 programs on participants.

The quality of information from OPPS and the automated follow-up system will reflect the amount of long-term commitment from the legislature, state agencies, and local institutions. The benefits from training and education programs, in the form of higher job placement rates and wages, do not become immediately apparent. For this reason, automated follow-up information should be analyzed one or more years after the completion of a training or educational program at a time when the individuals have had some experience in the Oregon labor market.

***The greatest value from the OPPS automated follow-up system will be derived from tracking students and clients over time.***

The greatest value from the OPPS automated follow-up system will be derived from tracking students and clients over time. For example, the effects of Workforce 2000 programs, begun in 1990, will most likely begin to be seen in the labor market around 1995. We hope to show continued benefits through the year 2000 and beyond.

Developing a quality training, education, and employment data base takes planning, coordination, technical resources, and patience to assure a useful system. The State of Oregon is well on its way. The information provided by the Oregon automated follow-up system is a worthy project, as it provides objective and cost-effective feedback to the legislature. If placement rates and wages earned are part of the decision criteria, the OPPS follow-up system can help determine the best use of government education and training dollars.

# HELP FOR OREGON WORKERS

The Oregon Department of Human Resources, in a joint effort with the Employment Division and the Adult & Family Services (AFS) Division, has published a comprehensive 19-page booklet for Oregon workers who have lost their jobs because of layoffs or closures. This booklet entitled *Help For Oregon Workers* covers many of the critical issues facing a family in trouble due to unemployment — finding a new job, getting financial help, dealing with food and housing needs, and getting medical care.

The new brochure is available at Employment Division and many AFS field offices. For additional information, phone toll free 1-800-237-3710, extension 8-3202. □

# REGIONAL STRATEGIES

*Mary Russell*

*(Editor's note: Mary Russell is a Research Analyst in the Policy and Research and Regional Strategies Sections of the Oregon Economic Development Department.)*

*"Before we had Regional Strategies, state dollars were spent haphazardly across the state, and people with common interests weren't talking to each other across county lines. Rural economies were drying up. We little guys felt like we weren't part of Oregon.*

*But there's a new charged atmosphere, and people are picking up the phone to call each other, talk things over, snatch opportunities. There's also a sense that we're all in this together — that Oregon can't be strong unless every region is included."*

*Representative Mike Nelson, Baker City*

**The "Little Guys" Program.**

The Regional Strategies program, enacted by the 1987-89 Legislative Assembly, was designed to encourage the development of strategies that address the economic opportunities and challenges of each region of the state. At the time of the program's inception, 50 percent of Oregon's statewide economy was generated by 3 of its 36 counties. The program was developed in order to bring the depressed areas of Oregon back into the economic fold. By the end of the 1989-91 biennium, the Regional Strategies program will have made over $40 million available to regional projects, almost half to rural areas. By boosting the economic health of rural areas, the entire state has benefitted.

The program promotes targeted, regional strategic thinking and planning by Oregon's citizens and brings dollars and jobs to their communities. The planning procedure requires the choice of a single industry focus. It encourages counties to work in partnership with other counties on the premise that the "whole is greater than the sum of its parts." And it focuses on a region's comparative advantages and has a long-term orientation. Rather than creating a "wish list" of unrelated projects, counties develop a business plan for the targeted industry sector.

The principles of the program are fairness, leverage, and partnership. Those rural counties less able to respond to funding opportunities are ensured an opportunity to participate. Every region in Oregon is assured one allocation of Regional Strategies funding before any region gets "seconds." The program seeks to concentrate, coordinate, and package resources from all levels of government, the private sector, educational institutions, and other economic development organizations. This "partnering" leads to shared ownership and commitment to the success of the strategy and its projects.

A regional strategy is defined as a near-term economic development plan (implemented and demonstrating results within three to five years after approval of the strategy by the Governor) focusing on a single industry or principal economic activity and capitalizing on leverage and job creation opportunities. It is self-sustaining and offers long-term economic growth and/or development prospects. It is developed and adopted by a county or group of counties that can benefit by combining their efforts and is then proposed to the Economic Development Department (EDD) for review. The Department recommends approval of the strategy to the Governor. The Governor designates the region and sources of state funding and approves the strategy.

**1987-89 Biennium**

During the first round of funding and implementation, Oregon's 36 counties worked together to form 15 regional strategies. Five strategy types were chosen: secondary wood products, agriculture, tourism, technology transfer, and maritime trade. Two regions, Union-Wallowa and Harney-Lake, chose to focus on secondary wood products strategies. Four regions, including Marion-Polk, Morrow-Umatilla, Malheur, and Hood River, decided to pursue agricultural opportunities. Five regions composed of 21 counties chose tourism. These regions include Central Oregon (Crook, Deschutes, and Jefferson counties), Baker, Oregon Tourism Alliance (Clackamas, Clatsop, Columbia, Lincoln, Multnomah, Tillamook, Washington, and Yamhill counties), Southern Oregon (Curry, Douglas, Jackson, and Josephine counties), and North Central Oregon (Gilliam, Grant, Sherman, Wasco, and Wheeler counties). Technology transfer, or the ability to translate research at Oregon colleges and universities to business applications, was selected by three regions: Lane, Linn-Benton, and Klamath. And finally, Coos County selected maritime trade as its strategy.

**Is It Working?**

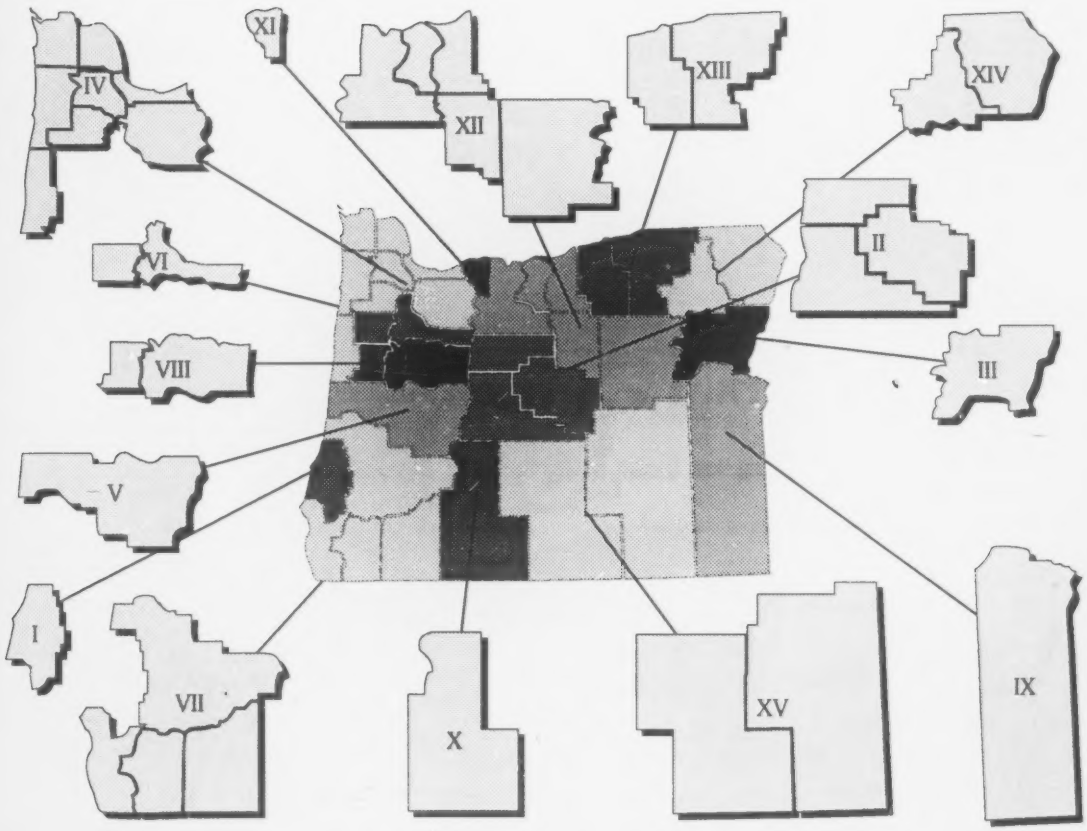
Success stories from the first biennium of the program abound. The International Port of Coos Bay points with pride to the Distant Water Fleet Facility, funded in part by Regional Strategies dollars. Completed projects in Central Oregon include the Welcome Center in Bend, the LaPine Rodeo grounds, the High Desert Museum expansion, and the Central Oregon Economic Development Council's Business Information Center. In Baker County, funding was provided for the Oregon Trail Interpretive Center, scheduled for completion in early 1992. Oregon Tourism Alliance (OTA) projects include the Oregon Convention Center, the Astoria Mariners' Center, the Tillamook Multi-Purpose Arena, and the Yamhill Equestrian Center. OTA's Hospitality Training Program, funded by Regional Strategies, has been so successful that it is being implemented statewide.

The Marion-Polk Marketing Grant Program dispensed grants to 37 firms. More than half of these grants went toward Japanese marketing efforts. In the Southern Oregon region, Regional Strategies funds in partnership with funds from the U.S. Forest Service made possible an interactive video that promises to become a model for the state and the nation of how to use new technology to increase the length of visitor stays. Other successful projects from this region include the new sport mooring docks at the Port of Brookings-Harbor, the Wildlife Safari Phase I expansion, the Illinois Valley Visitor Center, and the McKee Covered Bridge restoration — an outstanding model of local volunteerism and innovative fundraising that included an auction, an old-fashioned shake splitting to provide roofing materials, and a quilting bee.

The Linn-Benton region's technology transfer strategy featured a business incubator project, the Business Enterprise Center, and an Outreach Program that provides technical assistance to start-up companies. In Malheur County, 23 grants, matched dollar for dollar by local growers, were invested in agricultural products or in the development of additional products for the county. Upgraded facilities at the Mid-Columbia Agricultural Research Experiment Center in Hood River County are attracting federal interest in collaboration on domestic breeding programs. In the North Central region, The Dalles Riverfront Park has provided the region with a highly visible tourist attrac-

# Regional Strategies 1987—89

## Approved Strategies and Regions




I. Coos County
Maritime Trade
$542,680

II. Central Oregon
Tourism
$715,000

III. Baker County
Tourism
$450,000

IV. Oregon Tourism Alliance
$7,500,000 OR Convention Center
$2,793,605 All Other OTA

V. Lane County
Technology Transfer
$2,250,000

VI. Marion and Polk
Agriculture
$2,096,110

VII. Southern Oregon
Tourism
$3,089,684

VIII. Linn/Benton
Technology Transfer
$1,553,500

IX. Malheur County
Agriculture
$315,000

X. Klamath County
Technology Transfer
$558,462

XI. Hood River County
Agriculture
$165,000

XII. North Central Oregon
Tourism
$969,959

XIII. Morrow and Umatilla
Agriculture
$1,080,000

XIV. Union and Wallowa
Secondary Wood Products
$510,000

XV. Harney and Lake
Secondary Wood Products
$411,000

tion along Interstate 84. It provides an excellent access point to the Columbia River for board sailing, swimming, and boating as well as other day use facilities.

The Morrow-Umatilla region reports that a primary outcome of the Regional Strategies Program has been the growth of a "pro-active/pro-agriculture" stance that has been a significant determinant in business location and expansion in the area. A key project in the strategy is the Central Packing Facility constructed at the intersection of Interstates 84 and 82. In the Union-Wallowa and Harney-Lake regions, a benefit of the secondary wood products strategies chosen by each area has been the information provided to EDD's Secondary Wood Products Committee. This committee is working on the development and implementation of a statewide strategic plan to strengthen this important industry. Other significant projects in these regions include the Business Recruitment and Golden Circle Investment Funds, Baum Industrial Park (Union-Wallowa), and the rail service restoration in Harney-Lake.

**1989-91 Biennium**

The 1989-91 Legislative Assembly appropriated $23.85 million to fund the second biennium of the Regional Strategies Program. Subsequent lottery shortfalls probably will reduce this funding by as much as 30 percent. Given the long-term orientation of a strategy and the recognition that implementation of the 15 adopted regional strategies was just underway, the Governor and EDD encouraged Oregon's 36 counties to continue to work together to develop the regional strategies begun in the first biennium of the program. At present, all counties have expressed a commitment to continue their adopted strategy and develop a strategy amendment for funding consideration.

Approved strategy amendments for the current biennium include OTA, Central Oregon, and Baker County. Under current review are draft strategies from Morrow-Umatilla, Harney-Lake, and Marion-Polk. As outlined in work plans submitted by the 15 regions, all strategy amendments are expected to be completed by Spring 1991.

**Program Future**

Eleven workshops were held in early Fall 1990 to solicit input on the program and its future. Participants in all workshops were very supportive of the program. They consistently cited the importance of the program for the following reasons: 1) it is the one program that allows for decentralized planning and decision-making; 2) it involves citizens in planning for the future; 3) it recognizes the long-term nature of economic development; 4) it helps identify regional priorities; 5) it focuses resources for the greatest impact; 6) it is tailored to the unique assets and liabilities of regions; 7) it provides flexible funding which often is critical gap financing for projects; 8) it creates opportunities as well as supporting existing opportunities; 9) it supports entrepreneurial activities which involve greater risk than other EDD programs; 10) it builds regional capacity for problem-solving; and 11) it reinforces the perception of the state as a partner and advocate for regions. Downside comments focused on the job-creation criterion of the program. Many participants believed that the strategies are more long-term in nature than the legislative program guidelines would imply. Job creation was perceived as being a more heavily-weighted component than it deserves to be.

**Is It Unique?**

A recent 50-state survey completed by EDD found Oregon's Regional Strategies Program to have one of the more focused and mature regional approaches in the nation. When initiated in 1987, there were very few states with such a focus. As of September 1990, there were 10 states with full-fledged regional economic development programs in place (Alaska, Maryland, Minnesota, Nevada, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, and Vermont). Another 10 states have smaller programs that either address a particular substate region or regions, or that fund a regional computer network or marketing program (Arizona, Colorado, Kentucky, Massachusetts, New Jersey, North Carolina, Tennessee, Utah, Washington, and West Virginia). Four states (Delaware, North Dakota, Ohio, and Texas) have programs still in the planning stage, while two states have programs described by respondents as "bogged down" (Connecticut) or "semi-dead" (Indiana).

*For more information on the Regional Strategies Program, contact Lise Glancy, Manager of REDS, at 373-7361.* □

## STATE OF OREGON UNEMPLOYMENT RATES BY AREA

**January 1991**

| | Civilian Labor Force | Total Employment | Unemployment | Rate[1] |
|---|---|---|---|---|
| State of Oregon | 1,462,800 | 1,362,700 | 100,100 | 6.8 |
| Eugene MSA[2] | 146,700 | 135,700 | 11,000 | 7.5 |
| Medford MSA[3] | 70,680 | 63,980 | 6,700 | 9.5 |
| Portland PMSA[4] | 680,900 | 647,600 | 33,300 | 4.9 |
| Salem MSA[5] | 135,100 | 126,000 | 9,100 | 6.7 |
| Baker | 6,760 | 6,050 | 710 | 10.5 |
| Benton | 37,810 | 36,140 | 1,670 | 4.4 |
| Clatsop | 17,880 | 16,440 | 1,440 | 8.1 |
| Columbia | 17,210 | 15,640 | 1,570 | 9.1 |
| Coos | 26,460 | 23,580 | 2,880 | 10.9 |
| Crook | 7,060 | 6,450 | 610 | 8.6 |
| Curry | 9,120 | 8,360 | 760 | 8.3 |
| Deschutes | 42,570 | 39,310 | 3,260 | 7.7 |
| Douglas | 44,320 | 38,670 | 5,650 | 12.7 |
| Gilliam | 860 | 820 | 40 | 4.7 |
| Grant | 4,300 | 3,850 | 450 | 10.5 |
| Harney | 3,870 | 3,520 | 350 | 9.0 |
| Hood River | 9,740 | 8,910 | 830 | 8.5 |
| Jefferson | 6,640 | 6,020 | 620 | 9.3 |
| Josephine | 25,610 | 22,870 | 2,740 | 10.7 |
| Klamath | 24,850 | 22,020 | 2,830 | 11.4 |
| Lake | 3,630 | 3,160 | 470 | 12.9 |
| Lincoln | 19,120 | 17,670 | 1,450 | 7.6 |
| Linn | 43,250 | 39,090 | 4,160 | 9.6 |
| Malheur | 43,250 | 39,090 | 810 | 6.8 |
| Morrow | 3,090 | 2,710 | 380 | 12.3 |
| Sherman | 850 | 780 | 70 | 8.2 |
| Tillamook | 9,290 | 8,420 | 870 | 9.4 |
| Umatilla | 28,760 | 25,660 | 3,100 | 10.8 |
| Union | 11,070 | 10,200 | 870 | 7.9 |
| Wallowa | 3,550 | 3,190 | 360 | 10.1 |
| Wasco | 9,430 | 8,340 | 1,090 | 11.6 |
| Wheeler | 590 | 490 | 100 | 16.9 |

[1]*Not Seasonally Adjusted*
[2]*Lane County*
[3]*Jackson County*
[4]*Clackamas, Multnomah, Washington, Yamhill counties*
[5]*Marion and Polk counties*

# JOB SERVICE EMPLOYERS' COMMITTEE — 1990 IN REVIEW

*Judy Lofton*

In 1990, more than 1,200 employers acted as advisors to the Employment Division on 22 active committees. Job Service Employer Committees (JSEC) throughout our state sponsored more than 70 employer seminars. JSECs became active in their prospective communities sponsoring job fairs, summer youth, and older worker programs. They conducted lobby studies in their Employment Division offices and donated money to "spruce up" several of the field offices. Legislatively, JSEC took a great step forward by organizing a legislative committee and network to deal with legislative issues. JSEC members are testifying at the legislature.

The JSEC statewide conference, attended by approximately 200 employers, was held in Hood River. It focused on the changing workforce and how employers in our state can cope and benefit from the changes. A new state chair, Toni Cox, Cutler & Co., Medford, was elected at the conference. She and Randy Springer, Willamette Industries, sit on the Unemployment Insurance Advisory Council. Thirteen Oregon JSEC members attended the 1990 national conference last February. Last, but certainly not least, and no doubt our proudest moment was when the Coos Bay local committee won the national "First Runner-Up" award for "Best Local Committee of the Year." They will receive this award in Washington, D.C. in February 1991.

## JSEC SEMINARS

**TEAM BUILDING AND STAFF MOTIVATION**
Chumaree Comfortel
Salem, Oregon
March 14 . . . 7:30 a.m. - 11:45 a.m.
Call Bob Nelson, phone 378-4846 or Laverna Bauguess, phone 472-5118

**SUPERVISORY SKILLS FOR SUPERVISORS/MANAGERS**
Holiday Inn, South
Wilsonville, Oregon
March 19 . . . 7:15 a.m. - 11:30 a.m.
Call Cathie Moravec or Jerry Howard, phone 657-2078

**AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]**

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Dec.[2] 1990 | Nov.[3] 1990 | Dec. 1989 | Dec.[2] 1990 | Nov.[3] 1990 | Dec. 1989 | Dec.[2] 1990 | Nov.[3] 1990 | Dec. 1989 |
| TOTAL MANUFACTURING[4] | $453.20 | $441.00 | $440.80 | 40.0 | 39.2 | 40.0 | $11.33 | $11.25 | $11.02 |
| Durable Goods | 453.72 | 442.22 | 446.93 | 39.8 | 39.1 | 40.3 | 11.40 | 11.31 | 11.09 |
| Lumber & Wood Products | 432.74 | 426.72 | 443.29 | 38.5 | 38.1 | 39.9 | 11.24 | 11.20 | 11.11 |
| Logging & Sawmills | 458.06 | 452.91 | 474.81 | 37.7 | 37.4 | 39.8 | 12.15 | 12.11 | 11.93 |
| Veneer & Plywood | 426.41 | 408.56 | 423.36 | 39.3 | 37.9 | 39.2 | 10.85 | 10.78 | 10.80 |
| Millwork & Structural | 362.52 | 376.04 | 391.64 | 38.0 | 39.5 | 41.4 | 9.54 | 9.52 | 9.46 |
| Mobile Homes | 393.96 | 386.88 | 348.18 | 40.2 | 40.3 | 37.6 | 9.80 | 9.60 | 9.26 |
| Other Wood Products | 478.16 | 446.29 | 437.47 | 43.0 | 39.6 | 41.0 | 11.12 | 11.27 | 10.67 |
| Furniture & Fixtures | 371.14 | 373.12 | 352.26 | 38.5 | 37.2 | 38.0 | 9.64 | 10.03 | 9.27 |
| Primary Metals | 534.25 | 549.08 | 506.69 | 42.2 | 42.4 | 41.6 | 12.66 | 12.95 | 12.18 |
| Fabricated Metals | 421.51 | 405.99 | 402.98 | 38.6 | 39.0 | 39.2 | 10.92 | 10.41 | 10.28 |
| Machinery (Ex Electrical) | 454.99 | 444.04 | 458.59 | 40.3 | 39.4 | 40.8 | 11.29 | 11.27 | 11.24 |
| Nondurable Goods | 450.46 | 436.23 | 425.13 | 40.4 | 39.3 | 39.4 | 11.15 | 11.10 | 10.79 |
| Food & Kindred Products | 374.53 | 354.71 | 366.37 | 40.1 | 38.1 | 39.1 | 9.34 | 9.31 | 9.37 |
| Canning & Preserving | 321.16 | 303.40 | 317.95 | 39.6 | 37.0 | 38.4 | 8.11 | 8.20 | 8.28 |
| Other Food Products | 440.78 | 423.72 | 426.00 | 40.7 | 39.6 | 40.0 | 10.83 | 10.70 | 10.65 |
| Textile Mill Products | 294.23 | 270.48 | 270.84 | 39.6 | 36.7 | 36.6 | 7.43 | 7.37 | 7.40 |
| Apparel | 277.61 | 274.25 | 259.38 | 39.1 | 38.9 | 39.3 | 7.10 | 7.05 | 6.60 |
| Paper & Allied Products | 675.38 | 669.67 | 660.72 | 42.8 | 42.6 | 43.1 | 15.78 | 15.72 | 15.33 |
| Printing & Publishing | 500.37 | 494.79 | 435.34 | 39.0 | 39.3 | 36.8 | 12.83 | 12.59 | 11.83 |
| Construction[4] | 578.68 | 565.44 | 567.67 | 36.1 | 36.2 | 37.2 | 16.03 | 15.62 | 15.26 |
| Communications & Utilities[5] | 614.79 | 587.11 | 544.32 | 41.4 | 40.8 | 40.5 | 14.85 | 14.39 | 13.44 |
| Trade[5] | 333.35 | 324.74 | 320.63 | 35.5 | 34.4 | 34.7 | 9.39 | 9.44 | 9.24 |
| Wholesale Trade | 447.33 | 431.27 | 429.40 | 39.0 | 37.6 | 37.7 | 11.47 | 11.47 | 11.39 |
| Retail Trade | 278.17 | 270.76 | 267.92 | 33.8 | 32.7 | 33.2 | 8.23 | 8.28 | 8.07 |
| Banking & Insurance[5] | 398.27 | 372.01 | 341.51 | 39.2 | 36.4 | 36.1 | 10.16 | 10.22 | 9.46 |
| State & Local Government | 424.86 | 413.31 | 402.65 | | | | | | |

*[1]Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1987 Standard Industrial Classification (SIC) codes.*
*[2]Preliminary*
*[3]Revised*
*[4]Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*
*[5]Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

# NEW LMI PUBLICATION

*Ken Lux*

The Research & Statistics section of the Oregon Employment Division is pleased to announce the completion of the *1989 Oregon Covered Employment and Payrolls* publication. This report will be available after the first of March.

In addition to supplying the usual statistical tables which include employment and payrolls by month and quarter, both statewide and by county, the publication will feature some changes that should be very helpful to the reader. Specifically, we have:

1. Designed a new statewide summary table that provides the most frequently requested information at the beginning of the tables section;
2. Included a tally of reporting units, average employment, and total payroll as well as the computation of average annual and weekly wages;
3. Added a new set of employment by size-of-firm tables that had been previously published and distributed on an as requested basis; and
4. Added a new set of tables that help the data user better understand economic changes occurring in Oregon by identifying those employment changes that are attributable to technical shifts in the data (i.e., changes in industry or county codes, or other kinds of definition-related issues).

While the primary focus of the publication remains the presentation of employment and payroll information in a tabular format, the analysis section provides a comprehensive examination of the annual data, its changes and trends.

The focus for this year's analysis section is employment and wage growth in 1989 compared with the past several years. This information is then interpreted in light of the impact of inflation as measured by the U.S. Consumer Price Index for All Urban Consumers (U.S. CPI-U).

Some of the highlights for 1989 include:

- An increase in the average annual covered employment of 5.2% from 1,134,137 in 1988 to 1,192,967 in 1989.
- An increase in the total covered payroll of 8.7% from $22,270,326,945 in 1988 to $24,205,721,333 in 1989. The average annual wage (all industries) per worker increased by 3.3% to $20,290.
- When adjusted for inflation (4.8% in 1989), the average wage per worker actually declined by 1.4% in 1989, the steepest one-year drop since 1980.
- Increases in average employment for all industry divisions in Oregon with the amount of increase varying from a low of 0.9% in mining to a high of 15.1% in construction.
- A continuation in the decline of manufacturing as a percentage of total private sector employment from 23% in 1988 to 22% in 1989, and an increase in services as a percentage of total private sector employment from 25.6% to 26.6%.
- While the mining division continues to have the fewest employees, it also continues to produce the highest average annual payroll in the private sector ($27,690). It is followed by transportation and public utilities ($26,926); wholesale trade ($26,034); manufacturing ($25,866); construction ($23,930); finance, insurance, and real estate ($22,923); services ($17,678); agriculture, forestry, and fishing ($12,472); and retail trade ($11,823).

With all the attention that has been focused on current state and national economic news, it remains to be seen whether 1989 proves to be the high water mark for the next couple of years. However, for the time being, the most recent annual covered employment and payroll information available to us is now available to you.

Readers interested in obtaining a copy of the publication should contact the Research & Statistics section of the Oregon Employment Division, 875 Union Street NE, Salem, Oregon 97311, Attention: Denise McGoldrick. We can also be reached by phone at (503) 378-2069, or toll free 1-800-237-3710, extension 8-2069. □

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